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DIRECTORATE OF INTELLIGENCE

Central Intelligence Bulletin

Secret

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No. 0080/70 3 April 1970

Central Intelligence Bulletin

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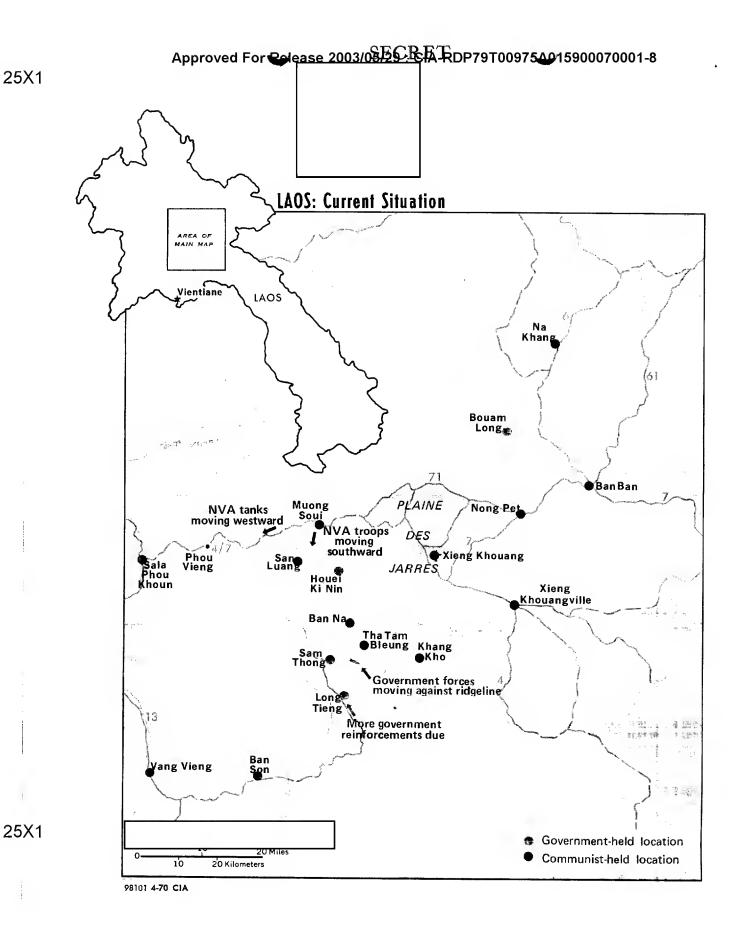
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South Vietnam: The Communists appear ready to launch more coordinated attacks within the next few days.	
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many enemy units remain in a high state of readiness.	
Communist attacks during the next several days will probably be similar to those of the past two	
days: widespread shellings and some heavy infantry and sapper attacks against US and South Vietnamese	
field positions. Enemy forces still do not appear to be in position for major attacks on population	
centers, however.	
Communist shellings have dropped off consider- ably since the first night of the current offensive	
phase. Nevertheless, allied casualty lists are lengthening as additional details become available	
on the action over the past two days.	25X1



Approved For Release 2003/05/29 P.CIA-RDP79T00976A015900070001-8

Laos: Government forces have made some limited gains in the Long Tieng area, but there are signs of increased North Vietnamese commitment to the offensive.

During the past few days, government guerrillas have pushed onto an important ridgeline seven miles north of Long Tieng and have successfully held their ground against enemy counterattacks. The new government position overlooks a key enemy staging area that has served as a springboard for attacks against the Long Tieng defense perimeter.

Enemy operations may be under way to the west.
tanks moving westward
along Route 7 near the government's base at Phou
Vieng, some ten miles from the Sala Phou Khoun road
junction. company-sized Com-
munist units are deploying southward from the Muong
Soui area.

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Cambodia: The Communists seem to be marking time in the countryside as they prepare for the next round in the struggle against the government.
In Peking, Sihanouk's spokesman stated on 2 April

In Peking, Sihanouk's spokesman stated on 2 April that the "government of national union" will be formed when certain "young leading figures" of the resistance movement arrive in the Chinese capital. The chances are good that these will be some of the same leading Cambodian leftists who were once members of Sihanouk's government.

The regime in Phnom Penh, meanwhile, is also trying to enlist support from leftist elements. There is some talk that the monarchy will be abolished, a move that would find favor among intellectuals and the youth. The government has also released a large number of "political prisoners," at least some of whom were jailed by Sihanouk for

Communist sympathies.

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Communist China - North Korea: Chou En-lai's imminent visit to Pyongyang exemplifies the improved relations that have developed within the past six months.

The visit, scheduled for early this month, was announced on 1 April, several days after Peking's new ambassador was received in Pyongyang. Aside from his brief trip to Hanoi last September on the occasion of Ho Chi Minh's death, this marks Chou's first trip outside China since mid-1966. His visit to North Korea could indicate a return to the style of personal diplomacy favored by Peking before the Cultural Revolution.

There are no indications regarding the topics Chou and North Korean leaders are likely to discuss, but they are almost certain to include Japan's expanding role in Asia, the latest developments in Indochina, and the possibility of additional economic assistance. They are not likely to dwell on Sino-Soviet affairs, previously a major irritant in Sino-North Korean relations. In this area, Pyongyang has

North Korean relations. In this area, Pyongyang has steadfastly maintained its "neutrality."

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Israel-Syria: The extensive Israeli military action yesterday in the Golan Heights was probably a warning to Damascus of stronger reprisals if the Syrians do not end their stepped-up harassment.

A Jerusalem radiobroadcast stated that the Israelis--who are preoccupied with developments on the Egyptian front--want to discourage any plans to "ease the burden on Egypt" by an increase in Syrian military action. The broadcast hinted that this would risk severe Israeli reaction, noting pointedly that Israeli forces "did not use all the possibilities at their disposal" yesterday.

The Israeli reprisal did not involve any border crossing by Israeli ground forces, but was confined to artillery and air attacks.

Israel claims to have knocked down three Syrian MIG-2ls yesterday--bringing the total Syrian aircraft losses since the 1967 war to 20. Tel Aviv admitted to the loss of one aircraft, an F-4 Phantom.

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USSR: The letter to Moscow's top leaders by Andrey Sakharov, a prominent Soviet physicist, urges democratization of society to rescue the country from stagnation and close the widening gap with the West.

In the letter, Sakharov argues that the "second industrial revolution" in the West has not occurred in the USSR because of restrictions on information and innovation. He offers a 14-point program to overcome economic stagnation. It includes free discussion of important problems, access to information from the West, and creation of highly autonomous industrial firms. Educational reforms, multiple-candidate elections, amnesty for political prisoners, and better work by the courts and local Soviets are also proposed.

The letter says, however, that this process must be slow and cautious. The socialist system as well as the primary role of the party must be preserved against machinations by anti-Soviet elements who will try to take advantage of the democratization process.

Nothing would improve the country's international standing more than this process, the letter asserts. Also, more open discussion of Soviet policy toward China and the Middle East would facilitate solutions to Moscow's problems in these areas.

The letter, was dated 19 March and addressed to party chief Brezhnev, Premier Kosygin, and President Podgorny. Physicist V. F. Turchin and historian R. A. Medvedev were also listed as authors. In style and content it resembles a previous essay by Sakharov which received wide publicity in the West after being surfaced in July 1968.

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The letter claims the support of an "overwhelm-	
ing portion of the intelligentsia" and states that	
the measures are needed to bridge the gulf between	
the creative intelligentsia and the party. The let-	
ter adds to other evidence of dissatisfaction with	
the leadership's hackneyed answers to economic prob-	
lems since they were bared in the party plenum in Decem-	-
ber.	25X1

USSR-Iran: Soviet President Podgorny's recent visit to Iran offers further evidence of a steady improvement in relations between the two countries.

According to Prime Minister Hoveyda, Podgorny repeatedly stressed that closer and more cooperative arrangements with an "independent Iran" are a fundamental aim of Soviet policy. He and Hoveyda discussed the further expansion of trade and cultural ties. Podgorny reportedly also renewed offers to supply Iran with sophisticated military equipment. Hoveyda not only again rejected these offers, but made several barbed references to past Soviet policy in Iran.

The Iranians strongly emphasized their concern over the fate of the Persian Gulf after the British withdraw next year. Both the Shah and Hoveyda made clear the critical importance of the Gulf to Iran and in a thinly veiled warning emphasized that it would be impossible to have friendly relations with any outside power that tried to intervene there. Podgorny assured his hosts, however, that the Gulf states should decide their own fate and that the USSR had no intention of intervening. The Iranians also expressed concern over Soviet military deliveries to Iraq.

The talks underlined Soviet interest in close ties with nations on its southern border. At the same time, the visit represented a further step in Iran's movement toward a more independent posture in foreign relations. The Shah feels that Iran needs closer relations with the Soviet Union to allow the development of more foreign policy options and the loosening of its ties with the United States. This is, however, more a sign of growing Iranian confidence than a weakening of Iranian identification with the

West.

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West Germany - East Germany: Bonn is willing to have the East Germans attend a mid-April plenary session of the Economic Commission of Europe (ECE).

The move is intended as a goodwill gesture prior to the second meeting between Chancellor Brandt and Premier Stoph in May. Until now, Bonn has attempted to maintain leverage on the East German regime by conditioning its acceptance of Pankow's participation in international organizations on progress in East - West German affairs. The West Germans maintain that arrangements could be handled in a manner that would make clear that participation in this plenary should be taken as a special case. This would serve to negate the East German claim that Pankow has the right to participate in other such gatherings.

Nevertheless, Bonn's position on the ECE, a UN affiliate devoted to regional economic cooperation, might increase the risk that other Western European capitals would be tempted to lower their barriers further on contacts with the East Germans.

Pankow will probably accept this arrangement while it continues to press for full-fledged membership in the ECE. This week it is expected formally to apply for membership in the World Health Organization.

this that	Bonn is expected to oppose the application and may quickly dissipate any hopes in East Berlin a fundamental change in policy has taken place.	

Albania - Communist China: There appears to be no factual basis for speculation that recent Albanian diplomatic moves reflect strains in Tirana's relations with China.

The speculation arose among some NATO powers when Albania made overtures for diplomatic and economic ties with several non-Communist European countries. Peking has thus far withheld any public commentary on the initiatives, however, and day-to-day relations between the two states thus far have not been affected. Moreover, Albanian propaganda continues to praise and support Chinese policy while attacking alleged Soviet-American collusion against Peking.

Peking has underscored its intention to move ahead vigorously with projected aid to Albania several times in the last five months. On 3 January the two signed an annual scientific and technical cooperation protocol calling for an exchange of documents and workers in 1970. Later that month, China's acting Foreign Trade Minister Lin Hai-yun headed a delegation to Tirana for the signing of the 1970 trade protocol. Although no details were released, the tone of the speeches indicated Peking would continue to expand its assistance to Albania. 7

Next 1 Page(s) In Document Exempt

Guatemala: The security situation is deteriorating.

The pro-Cuban Rebel Armed Forces has demanded the release of 15 imprisoned subversives for the safe return of West German Ambassador von Spreti whom they kidnaped on 31 March. The government is in a dilemma; according to press reports, it refuses to comply with the demand. Morale in the security forces would be seriously impaired if the government capitulates because many policemen and soldiers lost their lives capturing the prisoners. On the other hand, if the government does not release some prisoners, it could well seal the ambassador's fate.

The situation is being further complicated by rumors that a military coup may be in the making. President Mendez late last night declared a state of emergency. If he does not follow this up with strong counterterrorist action, however, he may be ousted.

Other terrorist incidents	occurred yesterday
when a high-level police offici	al was wounded in
Guatemala City and a prominent	rightist politician
was murdered in the northeast7	

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Ecuador: Nationalization last week of the All American Cable and Radio Company could sour relations with the US and discourage future foreign investment in Ecuador.

Final action was taken against this profitable subsidiary of International Telephone and Telegraph without prior agreement from company officials. Desultory negotiations between the government and the company had dragged on since November without reaching a satisfactory compensation agreement.

The government actually had little choice in the matter because of mounting domestic political pressure and the disclosure of the company's high annual profits. Communication union officials were pressing the government to nationalize in the belief they will gain financially if the company is brought into the debt-ridden national communications enterprise. Moreover, some government officials, anxious to make a mark for themselves, have sought political advantage by projecting a Goliath-like image of the company. 1

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	re difficult to base a settle-
	siderations. If a settlement
is based on politica	l considerations, some politi-
	<u>çtion against other foreign-</u>
owned enterprises.]	
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NOTE

	Warsaw Pact - NATO: The Warsaw Pact deputy foreign ministers will meet some time this month to dis-	
	cuss the European security issue,	25X1°
	The Romanian	,(.
	proposal for a meeting to prepare a conference on	
	the subject would also be taken up. A deputy foreign	
	ministers' meeting might lay the groundwork for a	
	later conclave of foreign ministers.	25X1
Г	the foreign ministers, following tactics	23/1,
_	that have been used in the past, may try to pre-empt	
	the statement on European security expected from the	,
	NATO ministerial meeting in late May.	7 25X1
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